

# EXHIBIT 6A



## SCHOLASTIC CORP (SCHL)

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### EX-99.1

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Exhibit 99.1

Scholastic Announces Fiscal 2005 Results and Fiscal 2006 Outlook;  
Achieves Fiscal 2005 EPS, Margin and Cash Flow Goals;  
Strong Start to Fiscal 2006 with Harry Potter & the Half-Blood Prince

NEW YORK--(BUSINESS WIRE)--July 20, 2005--Scholastic Corporation (NASDAQ:SCHL) today announced its results for the fiscal 2005 fourth quarter and full year, and its outlook for fiscal 2006.

For the quarter ended May 31, 2005, net income increased to \$42.8 million or \$1.04 per diluted share, compared to net income of \$22.5 million or \$0.56 per diluted share in the prior year period. Revenues in the fourth quarter were \$592.1 million versus \$587.4 million in the prior year period. For the fiscal year, revenues were \$2,079.9 million and net income increased to \$64.3 million or \$1.58 per diluted share, including the previously announced charge of \$0.06 per diluted share for severance expenses. In the prior year, the Company had revenues of \$2,233.8 million and generated net income of \$57.8 million or \$1.44 per diluted share, which included items described in the notes to the income statement attached to this release that resulted in a net expense of \$0.33 per diluted share.

The Company generated Free Cash Flow (as defined) of \$87.7 million in fiscal 2005.

"We achieved our goals for profits and improved margins in fiscal 2005, while exceeding our target for Free Cash Flow. Impressive gains in Educational Publishing, improved results in International, a strengthening of our children's book businesses and disciplined financial management all contributed to these results," commented Richard Robinson, Chairman, CEO and President of Scholastic. "We're confident that the significant progress made in fiscal 2005, coupled with a strengthened management team, creates a solid foundation to expand margins and grow revenues in fiscal 2006 and beyond."

Mr. Robinson added, "Fiscal 2006 is off to a tremendous start with last weekend's phenomenally successful release of Harry Potter & the Half-Blood Prince. After selling a record breaking 6.9 million copies in the U.S. in the first 24 hours, our retailers continue to report very strong sales during the first week. We are extremely proud of Scholastic's role in helping make J.K. Rowling's brilliant book the largest book release in history."

#### Fourth Quarter and Fiscal Year Results

The Company performed a comprehensive review of its lease accounting practices. As a result of this review, the Company determined that certain leases previously accounted for as operating leases should have been accounted for as capital leases in accordance with Statement of Financial Accounting Standards No.13, "Accounting for Leases," and that the accounting for certain other operating leases did not consider future payment escalation clauses in determining lease expense. Although the Company does not consider the impact of correcting the previously issued financial statements to be material to any one year, the cumulative effect, if recorded in the current year, would be material to that year, and therefore the Company believes that a restatement of prior year financial statements is appropriate. As a result, the Company will restate its interim and prior year annual financial statements in its annual report on Form 10-K for the fiscal year ended May 31, 2005, which is scheduled to be filed no later than August 15, 2005. The required adjustments decreased net income by \$0.3 million in fiscal 2005 and \$0.6 million in fiscal 2004. In addition, at May 31, 2005, the Company will reflect

an increase of \$61.1 million in Net property, plant and equipment, an increase in Capitalized lease obligations of \$74.4 million, an increase in Deferred tax of \$6.4 million and a reduction in Retained earnings of \$10.9 million. Net cash provided by operating activities and free cash flow will increase by \$10.5 million in fiscal 2005 and by \$9.0 million in fiscal 2004. All prior year numbers have been restated for these adjustments, which will have no effect on the Company's historical or future cash balances or the timing of payments under the Company's leases.

**Children's Book Publishing and Distribution.** Segment revenues in the quarter were \$333.4 million compared to \$348.5 million in the prior year period, with declines in Continuities resulting from the Company's strategy to focus on its most productive customers offsetting stronger revenues in Fairs and Trade. School Book Club revenues were down slightly in the quarter. Segment operating profits in the fourth quarter increased from the prior year period to \$51.9 million, primarily reflecting the year ago impact of Continuities-related charges.

For the fiscal year, segment revenues were \$1,152.5 million compared to \$1,358.6 million in the prior year and operating profits declined 11% to \$93.5 million. Anticipated declines in revenues from Harry Potter(R) (compared to the prior year which included the release of Harry Potter and the Order of the Phoenix) and lower revenues from Continuity programs were partially offset by growth in non-Harry Potter trade sales, including best-sellers like Dragon Rider, Charlie Bone and The Land of Elyon, and growth in School Book Fair revenues. Decreased segment profits reflected lower Harry Potter sales in fiscal 2005, partially offset by the impact of Continuities-related charges in fiscal 2004.

**Educational Publishing.** In the fourth quarter, segment revenues increased 5% to \$112.5 million and operating profits rose 38% to \$29.8 million, relative to the prior year period. Higher revenues and profits primarily reflected strong sales of educational technology, indicating Scholastic's success as a provider of solutions that help schools raise reading achievement. In fiscal 2005, segment revenues increased 10% to \$404.6 million and operating profits rose 40% to \$78.5 million compared to the year ago period. This growth was primarily due to a 40% increase in educational technology revenues, including READ 180(R), the leading intervention program for struggling readers, and Scholastic RED(R), an innovative online and in-person professional development program.

**International.** International revenues in the quarter rose 7% (2% in local currencies) to \$109.7 million, compared to the prior year period. Operating profits in the segment were \$11.1 million in the fourth quarter, a \$5.7 million increase from the prior year period. For the fiscal year, segment revenues rose 5% (but were level in local currencies) to \$389.7 million and operating profits rose 29% to \$30.3 million. For the quarter and the year, improved results primarily reflected better performance in the Company's Australian subsidiary and in export.

**Media, Licensing and Advertising.** Segment revenues rose 21% to \$36.5 million in the fourth quarter, compared to the prior year period, primarily due to higher production and licensing revenues from Maya & Miguel(TM). For the fiscal year, segment revenues were \$133.1 million, down slightly from the prior year. Operating profits of \$11.0 million for the year were also approximately even with the prior year.

Maya & Miguel, the Company's new media and publishing franchise, continues to attract strong ratings on PBS among school-aged children, and has spawned books published and distributed through the Company's channels and over 30 product licensees.

Other Financial Results. Operating margins in the year improved to 6.5% of revenues from 5.4% in the year ago period, reflecting higher margins in all operating segments. Free Cash Flow was \$87.7 million compared to \$83.0 in the prior year period, and debt net of cash and cash equivalents at the end of the year fell by \$108.0 million from a year ago to \$390.8 million. Interest expense declined by \$4.5 million to \$35.2 million.

#### Fiscal 2006 Outlook

The Company expects total revenues of approximately \$2.3 - \$2.4 billion and earnings of \$2.30 - \$2.50 per diluted share based on the following outlook:

1. Revenue and profit growth in Children's Book Publishing and Distribution, reflecting significant sales of Harry Potter and the Half-Blood Prince primarily in the first quarter, as well as modest growth throughout the rest of the segment.
2. Growth across Educational Publishing, led by educational technology, which should continue to benefit margins.
3. Continued improvements in International and Media, Licensing and Advertising.
4. A focus on margin improvements and operating efficiencies, with continued attention to Free Cash Flow, which is targeted at \$85 - \$95 million.

#### Upcoming Conference Call

Scholastic will hold a conference call tomorrow (July 21, 2005) at 8:00 a.m. EST. To listen by telephone, dial 888-338-6461 or 973-935-8510. To listen and view accompanying slides on the Internet, go to the Investor Relations section of [www.scholastic.com](http://www.scholastic.com), and follow links there. Following the call, the slides will be available in the Investor Relations section of [www.scholastic.com](http://www.scholastic.com) and an audio replay will be available at 877-519-4471; PIN number 5760041.

#### About Scholastic

Scholastic Corporation (NASDAQ:SCHL) is the world's largest publisher and distributor of children's books and a leader in educational technology. Scholastic creates quality educational and entertaining materials and products for use in school and at home, including children's books, magazines, technology-based products, teacher materials, television programming, film, videos and toys. The Company distributes its products and services through a variety of channels, including proprietary school-based book clubs, school-based book fairs, and school-based and direct-to-home continuity programs; retail stores, schools, libraries and television networks; and the Company's Internet site, [www.scholastic.com](http://www.scholastic.com).

#### Forward-Looking Statements

This news release contains certain forward-looking statements. Such forward-looking statements are subject to various risks and uncertainties, including the conditions of the children's book and educational materials markets and acceptance of the Company's products within those markets, and other risks and factors identified from time to time in the Company's filings with the Securities and Exchange Commission. Actual results could differ materially from those currently anticipated.